

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5841-01  
Bill No.: HB 1855  
Subject: Science and Technology; Education, Higher  
Type: Original  
Date: March 5, 2012

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Bill Summary: This proposal establishes the Missouri Science, Technology, Engineering and Mathematics Initiation within the Department of Higher Education.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(Up to \$50,000)	(Up to \$50,000)	(Up to \$50,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Up to \$50,000)</b>	<b>(Up to \$50,000)</b>	<b>(Up to \$50,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Science, Technology, Engineering and Mathematics Fund*	\$0	\$0	\$0
Colleges and Universities	Up to \$50,000 or Unknown	Up to \$50,000 or Unknown	Up to \$50,000 or Unknown
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Up to \$50,000 or Unknown</b>	<b>Up to \$50,000 or Unknown</b>	<b>Up to \$50,000 or Unknown</b>

\* Offsetting Transfers In and Disbursements are Up to \$50,000 or Unknown annually.  
Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Local Government</b>	<b>Up to \$50,000 or Unknown</b>	<b>Up to \$50,000 or Unknown</b>	<b>Up to \$50,000 or Unknown</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Department of Higher Education (DHE)** responded that this proposal would have no direct, foreseeable fiscal impact on their agency.

**Oversight** assumes the proposal is permissive regarding DHE awarding matching funds to public colleges and universities through the initiative outlined in this proposal and will assign no fiscal impact to DHE.

Officials from the **Joint Committee on Administrative Rules (JCAR)** stated this proposed legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal with core funding. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of State Treasurer** indicated this proposal would have no fiscal impact on their agency.

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** state this proposed legislation should not result in additional costs or savings to BAP.

BAP assumes this proposal allows a taxpayer that hires a qualifying science, technology, engineering and mathematics (STEM) intern to request up to \$5,000 of its tax liability to be transferred from General Revenue to the STEM Fund. The aggregate amount transferred from General Revenue to the STEM Fund is capped at \$50,000 annually. The STEM Fund is to be used, subject to appropriation, for various STEM activities. This could decrease general revenue by up to \$50,000 annually, subject to the transferred amount to the STEM Fund, but would not impact total state revenue.

ASSUMPTION (continued)

Officials from the **Department of Revenue (DOR)** are unable to determine if this proposal will have a fiscal impact on DOR. DOR indicates it is not clear if their agency will have any involvement with the transfer of the state tax liability.

**Oversight** assumes DOR may incur certain IT expenses associated with this proposal; however, OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA-ITSD (DOR) could absorb potential costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process

Officials from the **University of Missouri System** assume this proposal would have a positive financial impact on the University System, but the magnitude of the impact is not possible to be determined due to the number of variables involved in both revenue generation and possible ways the revenue can be expended.

Officials from the **University of Central Missouri** assumes this program would be beneficial to students, but sees no immediate fiscal impact to their University.

Officials from **Northwest Missouri State University** anticipate no additional financial expense. They assume the proposal could make available additional funding but it is difficult to quantify.

Officials from **Linn State Technical College** assume there would be an unknown fiscal impact on their institution which would be positive, provided they qualify for the program.

Officials from **Missouri Western University** state this proposal will have no fiscal impact on their institution.

Officials from **Missouri Southern State University** state that fiscal impact on indeterminate at this time.

Officials from **Kansas City Metropolitan Community College** assume this proposal would have a positive, although unknown fiscal impact.

**This proposal was also sent to the following colleges and universities who did not respond to a request for fiscal impact: Crowder College, East Central College, Harris-Stowe University, Jefferson College, Lincoln University, Mineral Area College, Missouri State University, Moberly Area Community College, North Central Missouri College, Southeast**

ASSUMPTION (continued)

**Missouri State University, State Fair Community College, St Charles Community College, St Louis Community College, Three Rivers Community College, Truman State University.**

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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**GENERAL REVENUE**

<u>Revenue Reduction</u> - Department of Revenue - Reduction in certain taxpayer liability	<u>(Up to \$50,000)</u>	<u>(Up to \$50,000)</u>	<u>(Up to \$50,000)</u>
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<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(Up to \$50,000)</u></b>	<b><u>(Up to \$50,000)</u></b>	<b><u>(Up to \$50,000)</u></b>
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**SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS FUND**

<u>Transfer In</u> - General Revenue	Up to \$50,000	Up to \$50,000	Up to \$50,000
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<u>Disbursements</u> - Colleges and Universities - Eligible STEM programs	<u>(Up to \$50,000)</u>	<u>(Up to \$50,000)</u>	<u>(Up to \$50,000)</u>
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<b>ESTIMATED NET EFFECT ON SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
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**COLLEGES AND UNIVERSITIES**

<u>Income</u> - Funding for Eligible STEM programs	Up to \$50,000 <u>or Unknown</u>	Up to \$50,000 <u>or Unknown</u>	Up to \$50,000 <u>or Unknown</u>
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<b>ESTIMATED NET EFFECT ON COLLEGES AND UNIVERSITIES</b>	<b><u>Up to \$50,000</u> <u>or Unknown</u></b>	<b><u>Up to \$50,000</u> <u>or Unknown</u></b>	<b><u>Up to \$50,000</u> <u>or Unknown</u></b>
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FISCAL IMPACT - Local Government

FY 2013  
(10 Mo.)

FY 2014

FY 2015

**LOCAL POLITICAL SUBDIVISIONS**

Income - Colleges - Funding for eligible  
STEM programs

Up to \$50,000  
or Unknown

Up to \$50,000  
or Unknown

Up to \$50,000  
or Unknown

**ESTIMATED NET EFFECT ON  
POLITICAL SUBDIVISIONS**

**Up to \$50,000**  
**or Unknown**

**Up to \$50,000**  
**or Unknown**

**Up to \$50,000**  
**or Unknown**

FISCAL IMPACT - Small Business

Small businesses could benefit from a reduced tax liability.

FISCAL DESCRIPTION

This proposal establishes within the Department of Higher Education (DHE) the "Missouri Science, Technology, Engineering and Mathematics Initiative". DHE may award matching funds through this initiative to public institutions of higher education as part of the annual appropriations process.

Any taxpayer hiring a person who is currently enrolled as a student majoring in science, technology, engineering, or mathematics, at any two-year or four-year public or private Missouri college or university, to fill an internship position in the fields of science, technology, engineering, or mathematics, may apply to have up to five thousand dollars of the taxpayer's state tax liability removed from the general fund and placed in the Science, Technology, Engineering, and Mathematics Fund established in this proposal.

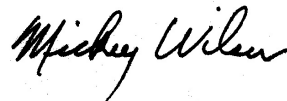
The cumulative amount of taxes transferred to the Science, Technology, Engineering, and Mathematics Fund shall not exceed an annual total of fifty thousand dollars from all participating taxpayers. In the event a donation is made to the fund from a third party, that donation shall not count towards the fifty thousand dollar annual limit.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

LMD:LR:OD

SOURCES OF INFORMATION

Office of Administration  
    Division of Budget and Planning  
Department of Higher Education  
Department of Revenue  
Joint Committee on Administrative Rules  
Office of State Treasurer  
Colleges and Universities  
    University of Missouri System  
    Missouri Western State University  
    Linn State Technical College  
    University of Central Missouri  
    Northwest Missouri State University  
    Missouri Southern State University  
    Kansas City Metropolitan Community College



Mickey Wilson, CPA  
Director  
March 5, 2012